

## 1.0 LEADERSHIP

### 1.1. Organizational Leadership

#### 1.1a Senior Leadership Direction

**1.1a(1)** Mary Peters has emphasized a compelling commitment to provide mobility to Arizona's residents and visitors, and ensure the highest value in licensing and revenue collection to its taxpayers. The following guiding principles have been adopted by ADOT's leadership to provide organizational direction:

**Focus** on the key business functions that are critical for this agency to accomplish in the next five to ten years.

**Align** the organization to accomplish those things its focused on, including ensuring resources, property, and budget are allocated correctly.

**Accountability** through performance indicators of key business functions to accomplish goals.

ADOT leaders focus is on three strategic initiatives:

- Regional Freeway Acceleration
- Customer Service
- Program Delivery

ADOT leaders continually evaluate these in light of budget and operational performance capabilities.

Each Division within ADOT has developed a Strategic Plan that aligns with the Strategic Plan of the Department. These divisional plans are annually reviewed to ensure they remain Focused, Aligned and Accountable with the Department's Strategic Plan and accomplish the Core Business Functions of:

- Developing and operating the transportation infrastructure.
- Licensing and registering.
- Manage revenue.

Senior management has defined a future vision for the Department which is guided by legislative mandates, Executive requirements, task force studies and customer transportation needs which are extrapolated into the short and long-term future.

The senior leaders set organizational values after being researched and developed by employees at all levels of the organization, statewide.

Upon adoption of the ADOT value statements, (page v in the Organizational Profile) meetings were held throughout the Department to present the ADOT direction, values, and goals. A tri-fold wallet-sized card stating the mission, vision, goals, values, strategies, and core business functions is, distributed to all employees. The cards are referred to, in whole or in part, at many ADOT meetings.

ADOT's values and goals are continually validated with employees at meetings such as the New Employee Orientation and Chautauqua leadership sessions. The Director and Division Directors actively participate in these meetings. In addition, the Middle Management Leadership Network, whose mission is to help define, strengthen and carry out the link between ADOT's vision and its daily operations, encourage the reinforcement of these values in discussions with employees.

ADOT deploys values and measures their effectiveness in the following ways:

*"Create a safe, secure and trustworthy environment."*

- Multiple employee safety measures monitored monthly.
- Monthly safety meetings in the field.
- Statewide Safety Stand Down Day with all employees.
- Mary Peter's personal E-mail messages promoting personal safety.
- Milepost articles on safety.
- Operation of a variety of safety programs.

*"Recognize and respect the value in our lives outside ADOT."*

- Freely authorize the use of annual leave.
- Award Recognition Leave to use as employee desires.
- Support and participate in "Bring Your Child to Work Day."
- Provide crisis benefits to employee's families through CONTACT.
- Provide family housing in remote locations throughout Arizona.
- Milepost articles highlight employees and their lives outside ADOT.
- Sponsor company picnics for employees and their families.

*"Motivate one another to continuous achievement and growth through unity and impartiality."*

- Announce all job opportunities in-house.
- Establish tuition reimbursement program to motivate and encourage higher learning.
- Provide time away from work for training.
- Established a Professional Development Hours Program to motivate employees to higher achievement.
- Incorporate team building activities into work activities.
- Delegate authority for decision-making and purchasing to empowered employees.

*"Practice quality in our work, take pride in our results, recognize and reward performance."*

- Operate five different incentive pay programs.
- Multiple awards and recognition programs.
- Employee Performance Evaluation Program with merit increases.
- Various Quality Measurements.
- Time to participate in two different Employee Appreciation Days annually.
- Sponsor the Equipment Road-eo.

*"Exhibit respect, honesty, fairness, consideration and integrity in all we do."*

- Teach cultural diversity and ethical issues.
- Partnering program teaches all of the values in formal classes and workshops.
- Milepost articles recognizing employees who have helped others.
- "Clean Start" Program.
- Blood drives.

*"Exercise personal responsibility by using our freedom to communicate, make decisions and take action in a supportive team environment."*

- Established and trained teams in decision making and empowerment.
- Established Facilitator Training Program to help teams communicate and make decisions.
- Teach management skills and communication skills
- Middle Management Group provides increased communication.
- Employee Representative Program.

*"Protect and conserve our resources: people, time, and property."*

- Incentive programs pay to reduce expenses for equipment, materials, and labor.
- Trained and tasked natural work teams to do process improvement to eliminate rework and unnecessary work.
- Equipment Incentive Program to help eliminate abuse of state equipment.
- Procurement contracts initiated with corresponding training on purchasing.
- Initiated pay plan to help retain engineers that are key to business operation.
- Leadership support of State budget in Legislature.

ADOT leaders are role models for employees and reflect ADOT's mission, values, priorities, goals, strategies and supporting vision. Leaders routinely play key roles on various ADOT teams, participating as sponsors, team leaders or as team members.

The Director, Deputy Director and Chief of Staff formally meet once a week and informally communicate daily. The Core Team which consists of the Director, Deputy Director, Chief of Staff, Division Directors plus the Director of Strategic Planning and Budgeting, Finance Officer, and Manager of Special Projects meet at least monthly to communicate values, expectations and direction. Quarterly meetings are held by the Team to focus on needed changes and long-term strategies. The Strategic Plan is discussed and adherence to its direction reinforced at these meetings. An Operations meeting is held monthly to review performance measurements, communicate action needs and reinforce values/expectations to supervisors and managers. Teaching of values appears routinely on the agenda in the form of the Director's Coach's Corner where either the Director or a designee presents instructional information.

Each division or group director meets regularly with their leadership staff to communicate values and direction. At the completion of each meeting, feedback is solicited as to whether the objectives of the meeting were accomplished and whether the organizational direction remains intact. All ADOT employees are encouraged to provide feedback.

Each Division is represented by an Employee Representative who visits offices and discusses workplace and quality issues with employees. These Employee Representatives then meet monthly with the Director, Assistant Director, Chief of Staff and Division Directors to highlight current areas of concern and receive feedback relative to previous questions and issues.

Balanced value for customers and other stakeholders is accomplished through user group meetings, and surveys and resultant feedback. This includes periodic meetings with such groups as The Association of General Contractors, the Motor Carriers, Chambers of Commerce, Maricopa Association of Government, Pima Association of Government, Native American groups and a wide variety of other stakeholder groups.

Both internal and external to ADOT, the vision and supporting visions (page iv of the Organizational Profile) serve as the basis for communication of values. ADOT being a large, statewide agency, employs several means of communicating values and expectations to employees. The following internal and external communication methods are employed:

Internal communications - Core Team meetings, Operations meetings, Divisional leadership meetings, performance evaluations, one-on-one meetings, E-mail, voice mail, telephone and video conferencing, newsletters, signs and intranet postings. In addition, ADOT utilizes

formal policies and procedures to communicate process and behavioral expectations.

External communications - Public hearings, E-mail, newsletters and the ADOT Internet Website. In addition, ADOT leaders provide guest editorials for supplier and quality publications such as the monthly publications of the Arizona General Contractors newsletter and the Arizona Subcontractors Association. ADOT's Community Relations regularly participates in a call-in radio program and provides daily/weekly information for newspaper publication. ADOT provides weekly road closures for publication by newspapers, and provides weekly updates on performance measurements and events to the Governor's office.

ADOT leaders have adopted a flexible leadership style allowing them to make unannounced visits to work sites and spending time with the employees discussing values and directions for the organization. The Director encourages employees to address any issues during these personal visits or to use telephone voice messages and E-mail if they prefer.

**1.1a(2)** The senior leaders believe in allowing people the freedom to be innovative. They ask employees to use our mission and ethic/values as "touchstones" and allow broad discretion and latitude to accomplish strategic direction within those guidelines. Employees at all levels are encouraged to determine 'how to achieve' by using goals, objectives and performance measurements, where the results are prescribed, but the specific methodology to accomplish them is not. ADOT leaders encourage decisions to be made at appropriate levels. Management makes sure employees have knowledge of the values and the direction needed to make the proper decisions and comply with legal requirements.

Authority to make decisions, spend money, and sign for business operations is delegated, in writing, and demonstrates empowerment at various levels throughout the organization.

The Department has implemented several innovative financial mechanisms to maximize construction dollars and manage its revenue, which include additional funding of the Highway Expansion and Extension Loan Program (HELP) and Grant Anticipation Notes. HELP is Arizona's state infrastructure bank where loans are funded with federal and state dollars as well as Board Funding Obligations issued by the Department of the State

Treasurer. Grant Anticipation Notes are a financing mechanism that leverage future receipt of Federal highway aid.

Continuing education is expected of everyone. One of ADOT's most effective training tools for creating employee learning, motivation and innovation is ADOT's leadership series. "Chautauqua", a one-day segment of this series, is taught by the Director and other Core Team members, and enables direct contact and feedback with the managers and supervisors of the Department.

ADOT has established a Rewards and Recognition Program to encourage innovative thinking and reward risk-taking. The ServiceArizona program (online MVD transactions) and the I-17 Design-Build Employee Suggestion Program, are two examples of this innovative thinking.

ADOT is recognized as a national leader with its Partnering Program which encourages innovative projects and cooperation. Potential innovative and creative practices are identified through participation in national and local professional associations, where best practices are shared and benchmarked.

ADOT is presently one of six states in a pilot program with the Federal Highway Administration to develop an Intelligent Transportation System that will eventually expedite commercial vehicle traffic through the nation. Additionally, the Department supports innovative projects that involve private sector partners supplying the infrastructure to implement this Intelligent Transportation System. For example, a Lockheed Martin project placed electronic equipment at five ports-of-entry to allow a pre-clearance process for truck traffic, eliminating the need for participating commercial vehicles to stop at the port.

ADOT's leadership seeks opportunities to achieve its mission, such as participation in the development of the CANAMEX Corridor. This "CANAMEX Corridor of Innovation" is a five-state, three-country approach to guide/plan future strategic transportation, telecommunications and other infrastructure investment for this entire Canada to Mexico region.

### **1.1b Organizational Performance Review**

**1.1b(1)** Eleven key performance measurements (See Figure 2-1) have been selected to provide ADOT with the ability to track progress in meeting strategic initiatives

### Organizational Performance Reviews

ANALYSIS FINDING	IMPACT	ACTION	RESULTS
Behind in projection to complete 360,000 Internet transactions -FY 01	Field office impact will be more than predicted.	Services added and additional services will be made "Internet-eligible."	Increase in May 2001 transactions to 41,300.
Need a variance report on the percentage of Construction Dollars awarded vs planned	Tracks Project Delivery Performance.	\$313 million awarded compared to the planned amount of \$315 million.	On target to meet goal of 90-100% of construction dollars to be awarded in FY 2001.
Need more statewide travel lane miles open to traffic	Improve mobility of goods and people.	17,566 lane miles opened by March 31, 2001.	Ahead of schedule for meeting year end goal.
Constituent Responses are not always timely. They should be completed within 10 working days 95% of the time.	Improves public and legislative relationships with ADOT.	Jan. Feb. Mar. achieved 100% compliance.	Fewer complaints from legislature and greater customer satisfaction.
Average Visit Time at MVD is longer than goal of 23 minutes.	Number rose to 26.3 minutes through June 2001.	Investigate reasons for high employee turnover rate and implement recommendations.	Decrease in time to serve customers will result in greater customer satisfaction.

Recent organizational performance reviews by senior leaders, and the results, are indicated in this chart, Figure 1-1

and goals listed in the Strategic Plan. These measurements are reviewed monthly by the appropriate division director and staff, followed by a review by the ADOT Director and Deputy Director. Eight of these prioritized measurements, accompanied by an action plan, are forwarded to the Governor's Office for review. In addition, the performance measurements are reviewed by senior leaders at the Operations meeting each month, where performance and actions taken to improve performance are discussed. The previous month's measurements are posted on the ADOTNET, the ADOT Internet site, and in the boardroom. (See Key Performance Measures in Category 2, Figure 2-1).

In addition to performance reviews by managers, various customer feedback surveys are monitored closely. These include those performed in conjunction with the ServiceArizona (MVD Internet access) program, and those done at the field offices. (See Figure 7-3.) Partners and stakeholders are informed of the performance measurements and corrective action is taken, if warranted.

**1.1b(2)** The organizational performance measures are translated into opportunities for improvement using the following:

- Individual divisions have periodic strategic planning meetings to determine whether their measures continue to align with the Department's Strategic Plan.
- Division leaders review and ensure their programs and work unit plans align with the Department's strategic direction by applying the Focus, Alignment, Accountability guiding principals.
- ADOT leaders systematically review allocated resources at a monthly review of finances. They conduct a weekly review of where shortfalls of the Comprehensive Statement of Revenues exist from field offices throughout the state.

**1.1b(3)** ADOT leaders review organizational performance to improve their leadership effectiveness by developing gap analysis, and evaluating management "bench strength". Off-site meetings are held four times a year for adjustments, if the analysis suggests a change. To provide a broader base of experience and information the Core Team recently re-vamped to add leaders from the financial and planning sections of the agency.

## **1.2 Public Responsibility and Citizenship**

### **1.2a Responsibilities to the Public**

**1.2a(1)** Transportation service systems have enormous responsibilities to the public as well as the impact they have on the environment. Prior to design plans being finalized, each transportation project undergoes a rigorous review of its environmental impact, including air, water, solid waste, noise, flora and fauna of the area and impacts on the existing community and cultural environment. Each criteria is evaluated regarding established thresholds of acceptable impact, and mitigation measures are incorporated into the project design to ensure thresholds are not exceeded.

ADOT is continually aware of their responsibility to the public and the environment as shown by changes to snow removal chemicals which have a minimal impact on the environment. Natural Resource's efforts extend to wildlife as well as vegetation, as seen with the 40% reduction of highway collisions involving big game wildlife resulting from their efforts to keep animals away from the highway.

ADOT participates in outreach programs in "non-attainment" areas (i.e. those areas of the State which do not meet the "National Ambient Air Quality Standards" for one of the primary pollutants) such as Maricopa County. ADOT employees ensure construction projects submit proposals and comply with the Dust Control Plan required by the County.

Regulatory and legal issues are tracked through planning calendars, which are employed by each division and area, and delineate deadlines for legal requirements that must be met. One of the tasks in the development of planning studies is the formal review of relevant legal and regulatory requirements, which are then incorporated into projects and final contracts.

The Office of Audit and Analysis reports directly to the Director and Deputy Director (administratively reports to the Chief of Staff) to maintain its independent audit function. It performs audits to insure both regulatory compliance and operational integrity/efficiency. Quarterly follow-up reports, regarding the disposition of audit issues, are prepared for the review by the Director, Deputy Director, Chief of Staff, and Division Directors.

ADOT's future impact on society is determined through surveys, public meetings, customer feedback, neighborhood involvement, local government and local business participation, in the form of meetings, letters, and E-mail from the public and stakeholders. Periodic public opinion surveys and customer satisfaction surveys are utilized. During construction on major projects, ADOT

sends a monthly newsletter to the impacted neighborhoods to ensure the public is aware of future schedules, changes and activities. In MVD the customer service satisfaction survey is an early warning indicator of later customer satisfaction/dissatisfaction. ADOT consults with experts and stakeholders to anticipate public concerns and remain sensitive to their needs. Initial designs have been modified in response to public concerns.

Waiting times at MVD offices, safety of the public, traffic on roadways and mobility of the public are all measured. These measurements indicate community impact and help ADOT to improve performance, and make necessary adjustments to its programs.

The Equipment Service's Environmental Fuel Tank Management Section has implemented an Underground Storage Replacement Program as a part of ADOT's environmental awareness. This program identifies, upgrades, and replaces fuel tanks that do not meet the Environmental Protection Agency's 1999 mandates. This is a proactive approach to a problematic issue.

ADOT employees hold memberships and are involved in many local and national organizations dealing with industry regulatory practices, allowing ADOT to increase its awareness of potential rules and regulations as well as to participate proactively in industry approaches and solutions.

ADOT employees interact with many industries and organizations. Some examples include:

American Association of Motor Vehicle Administrators, American Public Works Association, American Society for Testing and Materials, American Society of Civil Engineers, American Trucking Industry, Arizona Board of Realtors, Arizona Motor Transport Association, Arizona Society of Civil Engineers, Registered Professional Engineer, Transportation Research Board, American Association of State Highway Transportation Officials, Western Association of State Highway Transportation Officials, Organization of Purchasing Professionals, Association of General Contractors, Arizona Rock Products.

ADOT leaders address public responsibility and impacts on society in many ways: 1) ADOT financial management participates in financial report development containing public disclosure of bond issues. 2) Ensuring standards and specifications include all regulatory requirements for air quality and dust control. 3) Addressing federal mandates like driver privacy protection. 4) Developing rules to address regulatory requirements with the public.

**1.2a(2)** ADOT's services and products undergo extensive regulatory and public review, and it is required to meet all appropriate regulatory requirements and environmental laws. Planning studies require the formal review of legal and regulatory requirements.

Years of experience enable ADOT to anticipate various concerns when a project is announced. Extensive information is gathered during public hearings, gatherings, town hall meetings, and focus sessions in anticipation of beginning a project. Neighborhood involvement is sought to resolve local differences and concerns when a project is planned. These may include noise, air quality and related environmental impacts on the immediate local area. Where impacts are identified, mitigating efforts are considered during the design phase of the project development. (See Figure 6-1.)

The federal highway transportation law changed in 1995 to accommodate a single audit approach of consulting engineering firms (i.e. cognizant audits) providing primarily design services. ADOT's Office of Audit and Analysis, took the lead in responding to this legislative change, regionally through its membership in the Western Association of State Highway and Transportation Officials (WASHTO), and then nationally through its membership in the American Association of State Highway and Transportation Officials (AASHTO). The result, in collaboration with the American Consulting Engineers Council (ACEC), was the development of a uniform audit and disclosure package that could be utilized by all governmental agencies doing business with a particular consulting engineering firm. This innovative approach to the audit process will provide an efficient utilization of the limited audit manpower available to various governmental agencies, will provide an efficient audit process for the engineering firms, and will assure the taxpayers a reasonable cost for engineering services. ADOT, also, uniquely collaborated with a committee of the Arizona Consulting Engineers Association (ACEA), to develop an audit process utilizing the documents developed nationally.

MVD measures customer waiting times and trends, and revisions are implemented to stay within established guidelines. MVD makes extensive use of satisfaction surveys to monitor their service of customers. (See Figure 7-3.)

**1.2a(3)** Ethical behavior is expected of all ADOT employees, and all ADOT employees are required to attend a formal training session on Ethical Issues in the Public Sector and, also, sign a Code of Conduct statement upon being employed. This public trust responsibility is then reinforced during the Chautauqua leadership sessions and at regular staff meetings. ADOT leaders communicate their ethical expectations by being role models and stressing ethics as a key issue throughout the organization. Articles and studies relating to planning ethics are distributed to refresh employee perception of what constitutes ethical behavior. There is a clear understanding throughout the organization that unethical activities will not be tolerated and will have repercussions.

ADOT has a formal escalation process to address and resolve problems at the lowest level possible regarding employees, contractors, consultants, and local and federal agencies. As a part of this process, all parties discuss when, how, and why decisions are made.

Internally, the Department uses the Progressive Discipline Policy which allows employees to know and understand up front what the consequences are for failure to meet behavioral expectations.

The Equal Employment Opportunity Counselor Program allows employees to address and resolve ethical pressures and problems with the help of a fellow employee trained in problem solving.

### **1.2b Support of Key Communities**

ADOT has a large economic impact in many rural communities around the State and attempts to maintain a relationship in these areas as a valued partner. Rural areas have different needs than the larger urban areas, making it vital to listen to these communities in order to meet their transportation needs. This is accomplished through focus group sessions, town hall meetings, public hearings, board meetings held throughout the state, and other outreach meetings. The following chart shows ADOT's participation in activities that strengthen and support its key communities. (See Figure 1-2.)

### ADOT Participation in Key Communities

ORGANIZATION	DESCRIPTION	ACCOMPLISHMENT
Vision 21 Task Force	Develop 20-Y Transportation for AZ	ADOT Director serves on the task force.
Arizona Blood Services	Sponsors and participates in 2 blood drives /year.	Provides approximately 75-85 units of blood to the community each year.
State Employee Charitable Campaign	Sponsors and promotes giving	Donations increased \$41,957 in 2000.
Local Communities		Presents Service Awards to employees for making a difference in their communities.
Brown Cloud Summit	Improve visibility in the valley of the sun.	Recommended to the Governor – Eighteen tracking measures to improve visibility in the Phoenix area.
Project Challenge	Residential Military-style educational program for high school dropouts ages 16-18.	ADOT mentors cadets in the program, hires cadets in summer work program. Also provides highway cleanup community service.
Arizona State Fair	Public education.	Provide booths and equipment displays.
Local Businesses and Individuals across the State	Adopt-A-Highway Program.	Joint ADOT/Citizen effort to remove litter from the highway.
Executive Leadership Forum	Sponsors nation's most respected speakers on quality leadership and best practices.	ADOT financially supports this program and sends attendees.
Highway Safety Team - ADOT, Mothers Against Driving Drunk, Students Against Driving Drunk, Department of Public Safety, Phoenix Police Department, Federal Highway Administration, Maricopa County Department of Transportation, Governor's Office of Highway Safety, City of Phoenix,, FMSCA, Red Means Stop Coalition, Dept of Health Services, American Automobile Association, Pima Association of Governments, and Maricopa Association of Governments	Partnerships to reduce highway injuries and fatalities in Arizona.	ADOT Director leads the team. Published Customer Service Guide, Governor's Office of Highway Safety Web site. Increase certified inspectors, Analysis of demographics of fatalities, Update Truckers Handbook, Develop strict prosecution and penalties for Driving Under the Influence, Legislative changes to reduce DUI related crashes, Improve crash data collection and analysis, develop and distribute "out of service notification cards", Establish standards for rumble strips on roadway shoulders, Establish standards for raised pavement markers, Install median barriers on freeway system, Establish and set appropriate speed limits on all highways, accelerate passing lane projects in five year program, Increase use of red light running cameras, increase use of LED light emitting diode signal lights to reduce intersection crashes, Establish statewide incident management team to clear accidents, Establish freeway service patrol in Maricopa County.
Arizona Transportation Quality Initiative	Improve quality of Arizona's transportation system.	ADOT Deputy Director Chairs this Arizona Chapter of the National Highway Partnership for Quality.
Local Radio & Television Stations	Traffic Information for motorists.	Sponsor local "traffic watch programs" and provides the television view of the Freeway Management System (cameras on the freeway).
Transportation Research Board	Researches transportation projects.	ADOT leaders and managers participate in decision process.
Intelligent Transportation System		Internet access to freeway cameras allows selective choice of travel route. Provides variable message signs on roadways
Local and State Colleges & Univ.		Participate in job fairs.
Bank One Ball Park		Senior ITD leaders sell hot dogs at a concession stand.
City of Glendale, Other State Agencies, Catholic Diocese	Strategic Plan Development.	Provide trained facilitators.
Local School to Work Programs		Hire/train workers in the Cooperative Education Program.
American Association of State Highway Transportation Officials	Provides best practices and information sharing format	ADOT leaders and managers chair sub-committees and provide presentations at conferences
American Association of Motor Vehicle Administrators	Provides best practices and information sharing format	ADOT leaders serve on subcommittees and provide presentations at conferences.
Western Association of State Highway Transportation Officials		ADOT leaders and managers chair sub-committees and provide presentations at conferences..

Figure 1-2